



**Testimony
Bart Russell, Executive Director
Connecticut Council of Small Towns
Before the Commerce Committee
February 24, 2011**

Re: SB-1020, An Act Concerning Water Resources and Economic Development

The Connecticut Council of Small Towns (COST) urges support for SB-1020, which helps address fundamental concerns regarding the potential impact of proposed stream flow regulations on many of Connecticut's smaller towns and cities.

Although COST supports efforts to protect our rivers and streams, we are concerned that the regulations, as currently drafted, do not provide the appropriate balance needed to ensure sufficient water supplies to meet the needs of Connecticut's citizens. SB-1020 will help restore this balance by ensuring that the public water supply needs of our communities are protected.

COST is also concerned that compliance with the draft regulations will impose significant costs on our towns and cities, particularly those who maintain municipal water departments. Rates increases, which are inevitable under the proposed regulations, will have severe financial implications for municipalities across the board. But even more troubling, local economies and revenue bases in communities faced with moratoriums on new service connections will stagnate, leading to further economic decline and job loss.

In addition, towns and cities served by municipal water departments will be required to shoulder the cost – in many cases millions of dollars – for upgrades to their dams and other infrastructure in order to make the releases required under the proposed regulations. Other towns may have no choice but to look at developing new wells or reservoirs which will cost millions of dollars. Although the brunt of these costs will be reflected in water rates, some costs will be passed on to towns and cities and their taxpayers. SB-1020 helps address this by incorporating some common sense exemptions in the regulations to minimize compliance burdens.

At a time when most towns and cities don't have sufficient own-source revenues and/or state aid to pay for essential public services and fill the proverbial "potholes" in the roads, unfunded mandates like the proposed stream flow regulations cannot be justified. Towns have already had to cut programs and reduce staff and mandates like this one will simply make an extremely bad financial situation untenable. **We therefore urge adoption of SB-1020, which will help address these concerns.**